

Minutes of the Board of Water Commissioners' Meeting

Monday, May 20, 2013

Present: Commissioners G. Van De Kreeke, R. Haen, M. Heinz, and J. Trueblood, Superintendent. Ms. Julie Meyer, LMT Maritime, joined the meeting at 4:20 P.M.

The meeting was called to order by G. Van De Kreeke, President, at 4:02 P.M. All present recited the Pledge of Allegiance.

Minutes of Previous Meeting

Motion by Commissioner Haen, seconded by Commissioner Heinz, that the minutes of the April 24, 2013 meeting be approved as presented. Motion carried unanimously.

Financial Reports

The reports for February, March, and April were reviewed; Commissioner Haen made a motion, seconded by Commissioner Heinz, to approve the financial reports as presented. Motion passed unanimously.

Superintendent's Report

Operations' Department Report

Superintendent reported that April pumpage was up 16% from last year. Operations staff experienced unusually poor water quality coming in to the plant due to spring run-off from the Sheboygan and Pigeon Rivers: as a result, consumption of alum and chlorine were up. In addition, staff had conducted testing using additional polymer as a filter aid and cleaned the east and west basins. Other work proceeded on the installation of high lift pump #3. The Commissioners accepted the report as presented.

Construction Maintenance Department Report

Superintendent reported the crew had lowered and/or relocated water main at locations along N. 8th Street and Eisner Avenue, repaired floc drive mechanisms in the west basin, assisted with the office remodeling project, performed staking and coordination on the S. Business Drive water main project, and completed other seasonal maintenance duties. The Commissioners accepted the report as presented.

Old Business

Old Business Presented By Commissioners

None

Other Old Business

Update Board on PSC Final Decision regarding a customer complaint

Mr. Phil Tripoli had filed a complaint against the Water Utility with the WI Public Service Commission relating to late fees. On May 9, 2013, the Commission determined the payment was late and that the one-time 3 percent late payment charge was appropriately calculated and assessed.

New Business

Business to be presented by Commissioners

There was none.

Other New Business

Discuss and ask Board approval to purchase replacement anthracite

Superintendent presented pricing information from CEI anthracite for 900 CF of anthracite filter media at 50 lbs/CF at a total cost of \$12,487.50. Commissioner Van De Kreeke made a motion, seconded by Commissioner Haen, to accept the proposal. Motion passed unanimously.

Discuss and ask Board approval of water rate study with Baker Tilly, LLP

Superintendent presented a proposal from Baker Tilly to complete a water rate study and file an application with the WI Public Service Commission in late 2013 at an estimated cost of \$10,700 to \$11,800, along with an additional \$4,000 to \$4,800 to complete a full cost of service study and rate design. Superintendent reviewed basic elements of the long range plan, which include avoiding large rate increases to pay for the expensive intake pipeline project. Commissioner Haen asked about the anticipated rate increase used in the plan, and Superintendent indicated it was in the range of 6-8% in 2014, but this is an estimate. Commissioner Haen made a motion, seconded by Commissioner Heinz, to accept the proposal. Motion passed unanimously.

Discuss and ask Board approval of health insurance renewal

Superintendent presented information from Prairie States and LMT Maritime regarding costs to renew administration of the Utility's health insurance plan. Ms. Julie Meyer was present to address questions. The recommended option was to renew the plan with Prairie States as administrator, Orient Risk/Gerber Life as the stop loss provider, and with a change of discount network from HealthEOS Plus to HPS/Triology. The Commissioners asked about any potential downsides of changing the network. Ms. Meyer explained that HPS has technology which allows them to more efficiently process claims and pay the health care providers, who then offer better discounts as a result. The anticipated cost reduction is 5-10% on claims. Superintendent pointed out some of these savings are evident in the stop loss carrier offering a 5% reduction in premium with the HPS/Triology network. There did not appear to be any negative consequence of making this change, but covered members would need some education because they are accustomed to the old system of receiving EOBs and then waiting for claims to be settled. Overall, with HPS/Triology, the increase in fixed costs for the plan would be 4.5%. Commissioner Haen made a motion, seconded by Commissioner Heinz, to accept the renewal option with the switch to HPS/Triology. Motion passed unanimously.

Update Board on activities of Home Serve USA

Superintendent showed some printed materials from Home Serve on an insurance product being offered to Sheboygan residents. Superintendent explained this is a private company and has no association with the City of Sheboygan or the Sheboygan Water Utility.

Discuss and ask Board approval of engineering services related to administration building and 1939 clear well roofing

Superintendent reviewed a proposal from Donohue & Associates for roofing on the administration building and on the 1939 clear well: the former is original from construction in late 1980's, and the latter has been noted by WDNR as a water quality concern. Donohue would assist the Utility in designing and specifying the project to ensure good bid results. The estimated fee is \$9,900 for basic services, prelim and final design completion. Commissioner Haen discussed the need to utilize the results for future specs/work on the 1929 clear well, which has the same issues. Commissioner Haen also pointed out that many ballasted flat roofs have extended lifetimes and it might not be necessary to replace it at this immediate point in time.

Monday, May 20, 2013

Commissioner Van De Kreeke made a motion, seconded by Commissioner Heinz, to accept the proposal. Motion passed unanimously.

Discuss and ask Board approval of water main bids for Erie Ave

Superintendent presented the results from a public bid opening on May 16, 2013 for replacement of aged water main and lead water services on Erie Avenue prior to street reconstruction from N. 8th to N. 13th Street. Unfortunately, the Utility received only two bids for the work, which were from PTS Contractors at \$599,513.35 and Jossart Bros Inc. at \$712,501.00. On comparing with engineering estimates and other bid results, Superintendent felt the low bid was responsive and it would be in the Utility's interest to accept it. Commissioner Heinz made a motion, seconded by Commissioner Haen, to accept the low bid from PTS. Motion passed unanimously.

Discuss and ask Board approval of engineering project for rapid mix tank removal

Superintendent explained that the Utility installed a rapid mix tank in 1959 which receives water from the low lift station and distributes it to the east and west basins. If the tank is out of service, the plant must operate entirely on the south basin. Although in serviceable condition, the tank is problematic for a number of reasons: it's exterior is coated in lead paint, it is a single point of failure for both east and west basins, it is not adjustable, and the construction makes it difficult to adjust chemical feeds separately to the east and west basins. Superintendent reviewed a proposal from CDM Smith for a kickoff meeting, development of design details, procurement and construction support, and project management work scope, with the intention of replacing the tank with a large manifold assembly. The estimated design project cost is \$22,000. Commissioner Haen made a motion, seconded by Commissioner Van De Kreeke, to accept the proposal from CMD Smith. Motion passed unanimously.

Discuss and ask Board approval to purchase valves, hydrants, and appurtenances

Superintendent presented proposals for various materials. Commissioner Van De Kreeke made a motion, seconded by Commissioner Heinz, to accept the low cost proposal from Ferguson WW for \$12,611.50 and \$2,136 for corporations and various water service materials. Motion passed unanimously.

Correspondence

None.

Approve Vouchers

Motion by Commissioner Van De Kreeke, seconded by Commissioner Haen, that gross payroll for March of \$203,651.18 and general vouchers for March of \$305,866.50; and gross payroll for April of \$138,157.45 and general vouchers for April of \$619,602.35 be allowed and approved. Motion passed unanimously.

Personnel

Update on changes in the operations department

Superintendent advised that Mr. Duenkel has submitted his resignation and will be relocating to the Manitowoc Public Utility, with his last work day as May 27. The Utility has begun advertising for his replacement. In addition, Mr. Dave McMillan had accepted a promotion to the Operations Foreman position.

Other Matters

None.

Minutes of the Board of Water Commissioners' Meeting
Monday, May 20, 2013

Page 4

Next Board Meeting

The June meeting will take place on June 24, 2013 at 4:00 P.M.

With no further business, the meeting adjourned at 5:30 PM on a motion by Commissioner Haen, seconded by Commissioner Heinz. Motion carried unanimously.

Minutes taken by:
Superintendent
Joe R. Trueblood

Raymond W. Haen, Secretary